<u>REMARKS</u>

Claims 1, 4, 6-10, 13, 15-35 and 37-42 are now pending in the application, with claims 1, 10 and 35 being the independent claims. Reconsideration and further examination are respectfully requested.

In the Office Action, claims 1, 4, 6-10, 13, 15-18 and 20-41 were rejected under 35 USC § 101 because the clause "using the model to target delivery of future promotions" was said not to result in a "useful, concrete and tangible result". While Applicant disagrees with this rejection, the claim language nevertheless has been amended above to eliminate the objectionable words "target" and "future". Accordingly, withdrawal of this rejection is respectfully requested.

In addition, claims 6, 15, 21 and 29 were rejected under 35 U.S.C. § 112, second paragraph. Specifically, claims 6 and 15 were rejected based on the assertion that, "Applicant has not provided one of ordinary skill with a specific methodology for combining the two theories for producing the model," and also based on the use of the word "partially". In response, Applicant points to the example given in the Specification from page 10 line 22 through page 11 line 9. In addition, Applicant has amended claims 6 and 15 above to delete the word "partially". Accordingly, withdrawal of the rejection of claims 6 and 15 under § 112, second paragraph, is respectfully requested.

Claims 21 and 29 were rejected under § 112, second paragraph, because there allegedly is insufficient antecedent basis for the term "the shopping behavior". In response, Applicant notes that the penultimate clause of claims 1 and 10 (from which claims 21 and 29, respectively, depend) recites, "... a model for simulating *shopping behavior* as a function of...". This language

is believed to provide the appropriate antecedent basis and, accordingly, withdrawal of the rejection of claims 21 and 29 under § 112, second paragraph, is respectfully requested.

Claims 1, 10, 19-25, 27-33 and 35-40 have been rejected under 35 U.S.C. § 102(b) over U.S. Patent No. 5,848,396 (Gerace); and claims 4, 6-9, 13, 15-18, 26, 34 and 41 have been rejected under § 103(a) over Gerace. Withdrawal of these rejections is respectfully requested for the following reasons.

The present invention concerns systems, methods and techniques for analyzing the effectiveness of previously offered sales promotions and for delivering additional promotions. Generally speaking, in accordance with the present invention, data pertaining to on-line shopping activity, attributes of different promotions, and profiles of individual shoppers are provided to a model which is used to determine the effectiveness of sales promotions, e.g., based on the past history, demographics or other profile information for the shoppers.

More specifically, independent claims 1 and 10 are directed toward predicting whether an on-line shopper will be converted into becoming a purchaser of an item based on sales promotions offered by an on-line vendor. Initially, the following information is stored: customer profile information corresponding to a plurality of on-line shoppers, web log information corresponding to the plurality of on-line shoppers, and promotion attributes corresponding to a plurality of sales promotions that have been offered. Such information then is input into a model for simulating shopping behavior as a function of the customer profile information and the promotion attributes. Finally, promotions are offered based on the model.

The foregoing combination of features is not disclosed by the applied art. For example, Gerace does not disclose anything at all about storing promotion attributes corresponding to a

plurality of sales promotions that have been offered or simulating shopping behavior as a function of such promotion attributes.

Rather, Gerace appears to be solely concerned with targeting ordinary advertisements based on responses from an initial set of viewers. See, e.g., Gerace's Abstract. Applicant has carefully study the particular portions of Gerace cited in the Office Action as pertaining to the above-referenced features of the invention (i.e., Gerace's abstract; figures 5A-D; column 5, lines 15-40; column 1, lines 5-13; column 2, lines 10-23 and 35-53; column 5, lines 8-26; column 7, lines 23-38; column 18, lines 10-25). However, none of such portions of Gerace appears to say anything at all about an offered sales promotion, or about attributes pertaining to an offered sales promotion, much less about the use of such promotion attributes as presently recited.

In fact, nowhere does Gerace mention anything at all about a sales promotion that has been offered. Accordingly, it could not possibly say anything about using a model to simulate shopping behavior as a function of attributes of such sales promotions.

For at least these reasons, independent claims 1 and 10 could not have been anticipated by Gerace.

Independent claim 35 is directed toward predicting what types of on-line shoppers will make purchases based on offered sales promotions. Initially, the following information is obtained: profile information for a plurality of shoppers; a set of promotion attributes pertaining to sales promotions that were offered to the shoppers; and behavioral information regarding the on-line shopping behaviors of the shoppers. Based on the behavioral information, a mathematical model is used to relate the promotion attributes to the profile information in order to estimate effectiveness of a particular sales promotion with respect to at least one specified shopper. Finally, promotions are offered based on the mathematical model.

The foregoing combination of features is not disclosed by the applied art. For example, Gerace does not disclose anything at all about obtaining a set of promotion attributes pertaining to sales promotions that were offered to shoppers or using a mathematical model to relate such promotion attributes to shopper profile information in order to estimate effectiveness of a particular sales promotion.

Claim 35 was rejected on the same grounds as claims 1 and 10. Accordingly, for similar reasons to those set forth above, claim 35 could not have been anticipated by Gerace.

New claim 42 depends from independent claim 35 and recites the additional feature that the promotion attributes include at least one of sales, upgrades, extended warranties, buy-one-get-one free, financing packages, free options, rebates, coupons, donations to charities, free gifts, discount rate, free shipping and handling and special event promotional discount. This feature is supported in the Specification, e.g., by original claims 9 and 18 and at page 7 line 26 through page 8 line 3 and page 9 lines 15-17. In combination with the features recited in its underlying base claim 35, this feature of the invention is not believed to be disclosed or suggested by Gerace.

For example, dependent claims 9 and 18 recite that the promotion attributes include at least one of sales, upgrades, extended warranties, buy-one-get-one free, financing packages, free options, rebates, coupons, donations to charities, and free gifts. With respect to these claims, the Office Action only asserts that Gerace (in its Abstract; in figures 3A-G and 5A-D; and at column 4 line 56 through column 7 line 24), "teaches using profile, web log and promotion attributes to better target ads". Thus, even the Office Action does not assert that Gerace says anything at all about any of the promotion attributes recited in claims 9 and 18 or that any of such attributes is input into a model for simulating shopping behavior as a function of customer profile

information and the promotion attributes, as recited in claims 9 and 18. Moreover, Applicant has not been able to find any mention of any of these listed promotion attributes anywhere in Gerace.

The other rejected claims in this application depend from the independent claims discussed above, and are therefore believed to be allowable for at least the same reasons. Because each dependent claim also defines an additional aspect of the invention, however, the individual reconsideration of each on its own merits is respectfully requested.

In order to sufficiently distinguish Applicant's invention from the applied art, the foregoing remarks emphasize several of the differences between the applied art and Applicant's invention. However, no attempt has been made to categorize each novel and unobvious difference. Applicant's invention comprises all of the elements and all of the interrelationships between those elements recited in the claims. It is believed that for each claim the combination of such elements and interrelationships is not disclosed, taught or suggested by the applied art. It is therefore believed that all claims in the application are fully in condition for allowance, and an indication to that effect is respectfully requested.

If there are any fees due in connection with the filing of the currently submitted papers that have not been accounted for in this paper or the accompanying papers, please charge the fees to Deposit Account No. 08-2025. If an extension of time under 37 C.F.R. 1.136 is required for the filing of any of the currently submitted papers and is not accounted for in this paper or the accompanying papers, such an extension is requested and the fee (or any underpayment thereof) should also be charged to the Deposit Account.

Dated: June 29, 2007   Respectfully submitted,
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